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SECURITY INFORMATION

\*OMB Waiver Letter In ERU File\*

July 31, 1953

Mr. Robert M. Macy

Lyman Hamilton

Meeting with CIA staff

Just for the record, I am summarizing the understandings arrived at yesterday in our meeting with Col. White and Messrs. Saunders and [REDACTED]

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A. FY 1954 Funds

1. 1954 programming, which may be completed within 30 days, will include the [REDACTED] operation, but otherwise will reflect the conclusions of the Jackson Committee Report.

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2. When requests for releases from the 1954 reserves are sent to the Bureau, they will indicate whether the project or activity:

- a. is new;
- b. was included in the original program of [REDACTED] but eliminated in the reprogramming; or,
- c. was included in the 1954 revised program of [REDACTED]

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The requests will also include an analysis indicating why the project or activity cannot be absorbed. In some cases the decision to finance a project out of reserves or to absorb it within the obligations ceiling, may be postponed until the latter part of the fiscal year.

B. FY 1954 Personnel Ceiling

1. Although the Bureau does not normally establish rigid personnel ceilings, Bureau staff will work closely with CIA staff during the 1954 reprogramming period to insure that the number of personnel included will not force any automatic increase in the program in FY 1955.

C. FY 1955 Budget

1. It is anticipated that the submission will be ready by September 15.

2. The CIA budget submission to the Bureau for FY 1955 will include an estimate which, for fiscal reasons, will not exceed the 1954 total (i.e. [REDACTED] obligation and [REDACTED]). Any projects or activities above this ceiling which are considered essential may be included in a supplemental submission, supported by full justifications.

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This ceiling is based on the assumption that CIA retains its present functions.

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D. Dodge letter to Dulles on congressional relations

It was suggested that CIA should attempt to capitalize on AEC experience in handling highly classified matters. Staff of AEC might be contacted to discuss its experience in presenting its program to the Congress, and in general the policies and procedures adopted because of highly classified operations.

E. No-year funds

CIA staff will review the question of seeking a removal of the fiscal year limitation, and discuss its conclusions with BOB staff.

F. OCB Funding

This question was discussed but no conclusions were reached pending high level decision as to whether OCB will be created.